

Message Text

CONFIDENTIAL

PAGE 01 PANAMA 01302 062352Z

60

ACTION ARA-06

INFO OCT-01 ISO-00 SAB-01 SS-14 PM-03 INR-05 L-01 SP-02

/033 W

----- 058143

P 062107Z MAR 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 3217

C O N F I D E N T I A L PANAMA 1302

STADIS/LIMDIS////////////////

EO 11652: GDS

TAGS: PFOR, PN, PQ, US

SUBJ: HIGHLIGHTS OF 398TH PRC MEETING, MARCH 5

1. OLD FRANCE FIELD. ACTING GOVERNOR DISTRIBUTED COPIES OF LATEST VERSION OF DRAFT AGREEMENT WHEREBY PCC WILL TURN OVER OLD FRANCE FIELD TO COLON FREE ZONE FOR USE AS CUSTOMS FACILITY. HE EXPLAINED KEY ISSUE IN DRAFT AGREEMENT HAS BEEN TERMINATION CLAUSE WHICH PCC CONSIDERS NECESSARY TO AVOID GIVING IMPRESSION OF LAND CESSION WITHOUT LEGISLATIVE AUTHORITY. PCC NOW PROPOSING DURATION OF TEN YEARS, SUBJECT TO RENEWAL, AND BELIEVES GOP WILL ACCEPT. ACTING GOVERNOR INTENDS PRESENT MODIFIED AGREEMENT TO PANAMANIAN NEGOTIATOR MARCH 6 WITH SIGNATURE DATE TENTATIVELY SCHEDULED FOR EARLY WEEK OF MARCH 10, CONTINGENT ON GOVERNOR PARKER'S RETURN FROM US. PCC INTENDS ISSUE SHORT NEWS RELEASE TOWARD END OF NEXT WEEK. GENERAL TORRIJOS IS REPORTEDLY HIGHLY INTERESTED IN THIS MATTER. AMBASSADOR AND CINC INDICATED THEIR CONCURRENCE WITH DRAFT AGREEMENT.

2. SOFA. ACTING GOVERNOR CONVEYED SERIOUS CONCERN OF GOVERNOR PARKER AND PCC STAFF OVER ARTICLE 7 OF SOFA NEGOTIATED BY US-PANAMANIAN DEPUTY NEGOTIATORS. CONCERN IS TWOFOLD: (A) PRINCIPLE THAT PANAMANIAN LABOR LAWS WILL BE APPLICABLE RATHER THAN PRIMACY OF US HIRING POLICIES AND CONDITIONS AND (B) PRECEDENT WHICH SOFA
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 01302 062352Z

WILL ESTABLISH THEEBY RENDERING MORE DIFFICULT NEGOTIATION OF

DIFFERENT EMPLOYEMENT STANDARDS FOR CANAL ENTITY. SPECIFICALLY, PCC CONSIDERS THAT PRESENT WORDING OF ARTICLE 7 WOULD PROHIBIT HIRINGG OF US TECHNICIAN, NO MATTER HOW HIGHLY QUALIFIED, IF MINIMALLY QUALIFIED PANAMANIAN IS AVAILABLE FOR PPSITION. PCC ALSO WORRIED ABOUT COMPLIANCE WITH GOP LABOR LAWS REQUIRING WORK FORCE BE COMPRISED OF 90 PERCENT PANAMANIAN WORKERS AND 85 PERCENT PANAMANIAN TECHNICAL STAFF WITH SAME BREAKDOWN REQUIRED FOR GROSS SALARY EXPENDITURES. IN ADDITION, PCC CONSIDERS CURRENT SOFA PROVISIONS ON MANADATORY ROTATION OF PERSONNEL AND PROHIBITION OF DIFFERENTIAL PAY FOR US PERSONNEL IS UNACCEPTABLE IF CANAL ENTITY IS TO ASSURE ITS CAPABILITY OF MAINTAINING QUALIFIED PERSONNEL TO OPERATE CANALA. ACTING GOVERNOR REPORTED PCC HAS SENT TWO MESSAGES ON THIS MATTER TO DUSA BUT WONDERED HOW PCC CONCERNS COULD BE BROUGHT TO ATTENTION OF US NEGOTIATORS. AMBASSADOR OFFERED CONVEY THESE POINTS TO AMBASSADOR BUNKER UPON HIS ARRIVAL MARCH 6 AND PCC WILL PREPARE PAPER HIGHLIGHTING COMPANY'S MAIN CONCERNS. NOTE: DURING COURSE OF DISCUSSION, CINC EXPRESSED AGREEMENT WITH PCC POSITION BUT ACKNOWLEDGED THAT INsofar AS MILITARY NEEDS ARE CONCERNED, DRAFT SOFA FOR PANAMA IS AS GOOD AS ANY OTHER SOFA IN FORCE. HE COMMENTED SOFA COMBINES MANY OF THE MOST FAVORABLE PROVISIONS OF SIMILAR AGREEMENTS IN FORCE IN JAPAN, NATO, SPAIN.

3. CONTINGENCY PLANNING. ACTING GOVERNOR RECALLED PREVIOUS MENTION OF PCC PRE-PLANNING OF CONTINGENCY MEASURES WHICH MIGHT BE REQUIRED IN EVENT NEW CANAL TREATY NOT RAFIFIED. HE PROPOSED ESTABLISHMENT OF PRC JOINT WORKING GROUP TO LAY OUT SCENARIA AND PROVIDE GUIDELINES FOR COORDINATED CONTINGENCY PLAN. AMBASSADOR POINTED OUT TENTATIVE STATE POSITION IS TO AVOID REJECTION OF TREATY IN SENATE. HE AGREED, HOWEVER, WITH DESIRABILITY OF ESTABLISHING WORKING GROUP WHICH CAN BEGIN CONSIDERING NECESSARY ACTIONS IN THE LIGHT OF PANAMANIAN REACTION TO NON-RATIFICATION. CINC ALSO CONCURRED.

4. VERACRUZ ROAD. CINC STATED SUBJECT OF VERACRUZ
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PANAMA 01302 062352Z

ROAD HAD AGAIN BEEN CONSIDERED BY STEERING COMMITTEE WHERE IT WAS CONFIRMED THAT GOP EXPECTS USG TO FINANCE PROPOSED PAVING. ANTICIPATED EXPENDITURES ESTIMATED AT 2-3 HUNDRED THOUSAND DOLLARS FOR PAVING OR 20 THOUSAND DOLLARS FOR ASPHALT SURFACING. CINC STATED SOUTHCOM DOES NOT HAVE FUNDS AVAILABLE FOR THIS PROJECT AND THAT ITS ENGINEERING RESOURCES PRESENTLY COMMITTED TO COMPLETING IMPROVEMENTS ON BOYD-ROOSEVELT HIGHWAY WHICH

WILL BE TURNED OVER TO GOP IN JUNE. IN RESPONSE TO
QUESTION, CINC STATED THAT IF GOP FINANCES PROJECT,
SOUTHCOM WOULD PROBABLY BE PREPARED TO CONSENT TO
PAVING ALTHOUGH TWO COMPONENT COMMANDERS STILL HAVE
PROBLEMS WITH SECURITY IMPLICATIONS OF PROJECT.
SOUTHCOM WILL PREPARE MEMO TO SERVE AS BASIS FOR REPLY
TO FOREIGN OFFICE NOTE WHICH FORMALLY REQUESTED
IMPROVEMENT TO VERACRUZ ROAD.
JORDEN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, MEETING AGENDA, NEGOTIATIONS, MEETING REPORTS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 06 MAR 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PANAMA01302
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750079-0445
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750376/aaaacqoo.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 11 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 SEP 2003 by SmithRJ>; APPROVED <20 OCT 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HIGHLIGHTS OF 398TH PRC MEETING, MARCH 5
TAGS: PFOR, PN, PQ, US, (TORRIJOS HERREA, OMAR)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006